



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9739]

RIN 1545-BF51; 1545-BM78

Reorganizations Under Section 368(a)(1)(F); Section 367(a) and Certain Reorganizations Under Section 368(a)(1)(F); Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations (TD 9739) that provide guidance regarding the qualification of a transaction as a corporate reorganization under section 368(a)(1)(F), and which were published in the **Federal Register** on Monday, September 21, 2015 (80 FR 56904).

DATES: This correction is effective **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and applicable September 21, 2015.

FOR FURTHER INFORMATION CONTACT: Douglas C. Bates at (202) 317-6065 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9739) that are the subject of this correction are under section 367 and 368 of the Internal Revenue Code.

Need for Correction

As published, the final regulation (TD 9739) contains errors that may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR Part 1 is amended by making the following correcting amendments:

PART 1 - INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.368-2 is amended by revising the last sentence of paragraph (m)(4)

Example 5. and revising the third sentence of Example 7. to read as follows:

§ 1.368-2 Definition of terms.

* * * * *

(m) * * *

(4) * * *

Example 5. * * * The result would be the same with respect to qualification under section 368(a)(1)(F) if, instead of merging into S2, S1 completely liquidates or is deemed to liquidate by reason of a conversion in an entity disregarded as separate from its owner under §301.7701-3 of this chapter.

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Example 7. * * * Each of T, P, and S is a State A corporation engaged in a manufacturing business. * * *

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[FR Doc. 2015-30869 Filed: 12/7/2015 8:45 am; Publication Date: 12/8/2015]